



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

TO: Transit Finance Working Group

DATE: July 2, 2014

FR: Kristen Mazur

RE: Regional Means-Based Transit Fare Pricing Study

As part of the Third Cycle of the Lifeline Transportation Program, MTC committed up to \$300,000 in State Transit Assistance (STA) funds to undertake a comprehensive regional study toward the development and potential implementation of a regional means-based transit fare discount.

Background

Although MTC as a regional planning and coordinating agency does not have jurisdiction over fare policies for individual transit operators, MTC has been involved in identifying potential affordability barriers to transit for low-income riders and promoting solutions through various regional planning and policy initiatives for more than 10 years. These include the Coordinated Public Transit-Human Services Transportation Plan, the Lifeline Transportation Program, the 2012 means-based fare discount funding requests, the Regional Transportation Plan, the Transit Sustainability Project, and the Community Based Transportation Plans.

Study Overview

The purpose of the Regional Means-Based Transit Fare Pricing Study is to develop options for funding and implementing a regional means-based transit fare program or programs in the nine-county Bay Area, and to determine the feasibility of implementing the options. Each of the options must be consistent with the following three overall program objectives:

- Make transit more affordable for low-income residents
- Move towards a more consistent regional standard for fare discount policies
- Be financially viable and administratively feasible, without adversely affecting the transit system's service levels and performance

Key project activities will include identifying potential fare structures and instruments, eligible recipients, overall program costs (including both startup and ongoing administration) and impact on fare revenues, potential funding opportunities, relationships to other existing discounts, institutional challenges and opportunities, and technical implementation considerations, including integration with the regional Clipper® program.

A Technical Advisory Committee (TAC) will be formed to provide input and feedback throughout the study and will include transit operator representatives. Advisory groups such as TFWG will be consulted regarding major milestones and deliverables.

Schedule

MTC plans to release a RFP in Summer 2014 and begin the study in approximately Fall 2014. MTC anticipates that it will take approximately nine months to complete the study.

For more information, please contact Kristen Mazur at 510-817-5789 and kmazur@mtc.ca.gov .

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